

**REMARKS**

Applicants respectfully request reconsideration of this application as amended.

Applicants respectfully repeat their assertion that Claims 73-91 are in full compliance with all aspects of 35 U.S.C. § 101. In that Applicants have again reviewed the utility guidelines, and can see no problem with the rejected claims, the Examiner is again respectfully requested to provide exact details as to where they believe the claims run afoul of 35 U.S.C. § 101.

Without concession to the propriety of the outstanding Office Action, the independent claims have been generally amended to recite that the image has been decomposed into n subbands using a two-dimensional wavelet transform. Lubin is completely silent regarding this feature. While Mukherjee has mentioned a wavelet-based compression scheme, Mukherjee teaches away from the present invention by stating that the schemes are disadvantageous and that they are processor intensive and exact a performance penalty.

In that neither reference teaches, suggests or discloses the claimed combination of features, the independent claims are clearly distinguishable therefrom. The dependent claims are further distinguishable from the cited references for at least the above reasons and the additional feature(s) recited therein.

Accordingly, all claims are patentably distinguishable from the cited references and Notice of Allowance is respectfully solicited. Should the Examiner believe anything further is desirable in order to place the application in even better condition for allowance, the Examiner is invited to contact applicant's undersigned representative at the number listed below.

The Commissioner is hereby authorized to charge to deposit account number 19-1970 any fees under 37 CFR § 1.16 and 1.17 that may be required by this paper and to credit any overpayment to that Account. If any extension of time is required in connection with the filing of this paper and has not been separately requested, such extension is hereby petitioned.

Respectfully submitted,

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By: Jason H. Vick, Reg. No. 45,285

**SHERIDAN ROSS P. C.  
1560 BROADWAY, SUITE 1200  
DENVER, COLORADO 80202  
TELEPHONE: 303-863-9700  
FAX: 303-863-0223**